9/30/87 A0400-1

The Aluminum Situation

Department of Economics and Statistics **September 1987**

1987 Net Shipment Up 3.6 Percent

Total industry net shipments for seven months 1987, an estimated 9,723 million pounds, were up 3.6 percent from the seven month 1986 total of 9,387 million pounds.

Domestic shipments of 9,047 million pounds were 2.0 percent more than the seven month 1986 total of 8,865 million pounds.

For the first seven months of 1987, imports of ingot and mill products were down 11.0 percent and exports were up 29.5 percent as compared with the same period of 1986.

Thru July 1987

	1987 7 Mos.	1986 7 Mos.	% Change
Mill Products	7,646	7,459	2.5
Ingot	2,077	1,928	7.7
Total	9,723	9,387	3.6
Less Exports	676	522	29.5
Domestic Total	9,047	8,865	2.0

Figures in Millions of Pounds
Source: Bureau of the Census
U.S. Department of Commerce
Latest data estimated by the Aluminum Association

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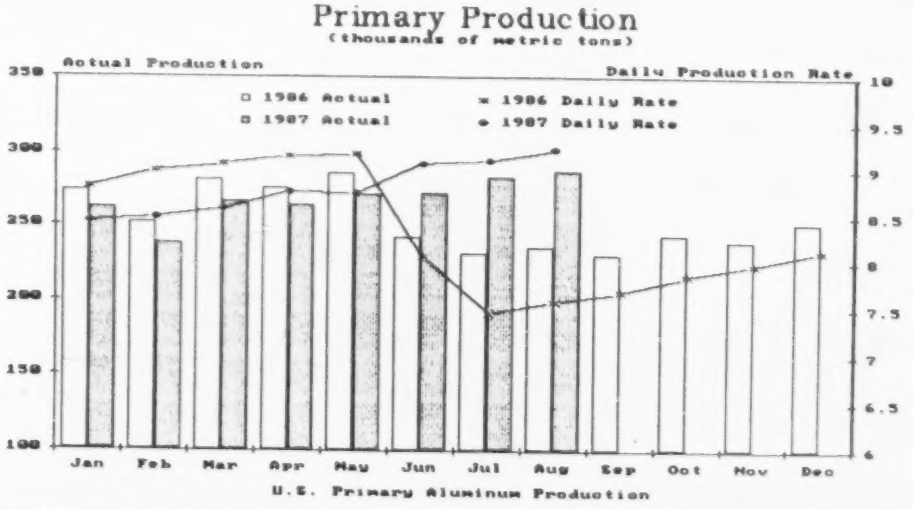
Production Rate for August Up 21.7%

U.S. primary aluminum production averages 9,234 metric tons daily during August 1987, compared with an average 7,588 metric tons per day in August 1986, an increase of 21.7 percent.

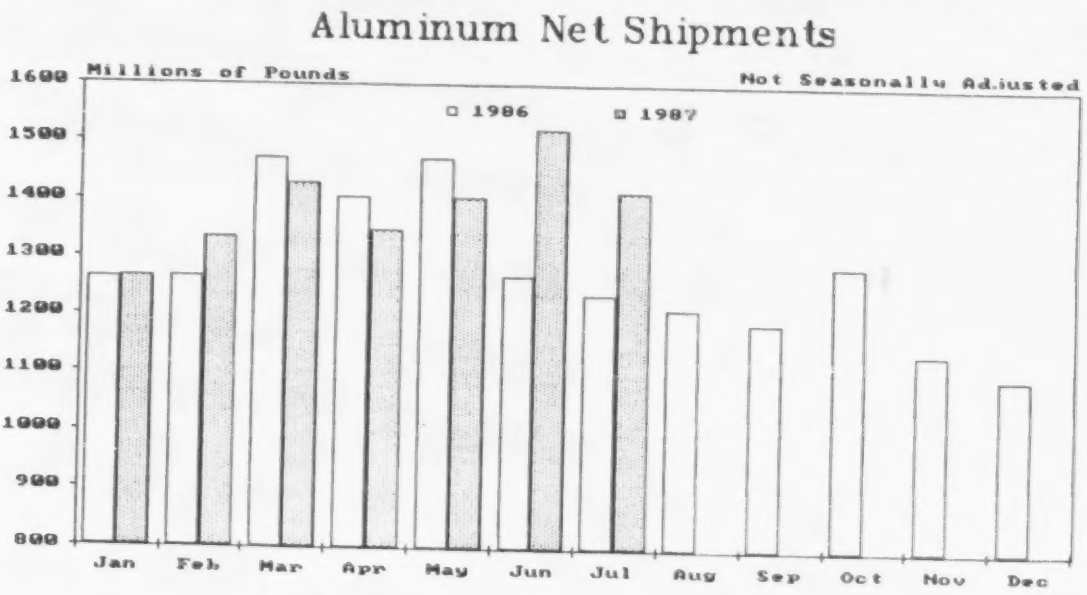
The annual rate of production in August 1987 was 3,370,575 metric tons, compared to 2,769,526 metric tons in August 1986. The July 1987 annual rate was 3,323,725 metric tons. Actual production in August 1987 was 286,268 metric tons.



Aluminum Association total industry estimates are based on information reported by members, which is aggregated by the Association and then expanded to total industry data utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. While the Association believes that its statistical procedures and methods are reliable, it does not warrant the accuracy or completeness of the data. All data contained herein are subject to revision.

Net Shipment Up 3.6 Percent

Estimated total industry net shipments of 9,723 million pounds for seven months of 1987 were up 3.6 percent from the seven month 1986 total of 9,387 million pounds. Exports for seven months of 1987 of 677 million pounds were up 29.5 percent. Domestic shipments showed a 2.0 percent increase from a year ago. July shipments of 1,416 million pounds were up 14.4 percent versus a year ago.



Net Shipments

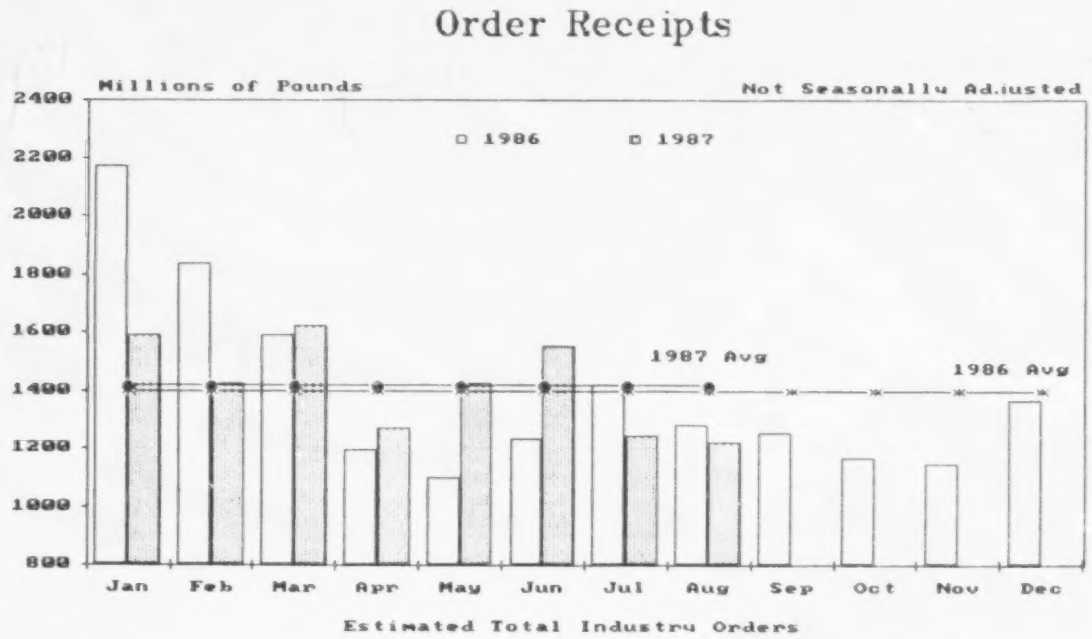
(Millions of Pounds)

	1987* July	1986 July	1987 7 Mos.	1986 7 Mos.	% Change 1987 vs 198
Sheet	595.0	513.8	4,113.2	3,871.0	6.3
Plate	21.0	15.9	157.9	151.2	4.4
Foil	66.0	58.5	502.3	514.1	-2.3
Rod,Bar & Wire	31.0	23.2	212.9	205.1	3.8
Elec. Conductor	55.0	51.5	366.6	375.9	-2.5
Extruded Shapes,Tube	244.0	227.0	1,621.8	1,620.2	0.1
Powder & Paste	8.0	7.3	53.6	60.2	-10.9
Forgings & Impacts	13.0	10.2	92.0	85.9	7.1
Net Imports of Mill Products (Total) (a)	73.0	123.2	525.5	575.2	-8.6
Total Mill Products	1,106.0	1,030.6	7,645.9	7,458.8	2.5
Ingot (b)	310.0	207.0	2,076.6	1,928.1	7.7
TOTAL INDUSTRY SHIPMENTS	1,416.0	1,237.6	9,722.5	9,386.9	3.6
Exports	102.0	52.8	675.8	521.8	29.5
TOTAL DOMESTIC SHIPMENTS	1,314.0	1,184.8	9,046.7	8,865.1	2.0

Source: Bureau of the Census, U.S. Department of Commerce
(a) Not included in product data above.
(b) Sufficient data not available for reliable estimate. Implicit in this item is a 10-25% variation.
(*) Latest month estimated by Aluminum Association.

August New Order Receipts Decline 4.8 Percent

Estimated net new order receipts for August 1987 of 1,221 million pounds were down 4.8 percent versus a year ago. New order receipts for eight months of 1987 at 11,346 million pounds were down 4.0 percent versus the first eight months of 1986 total of 11,816 million pounds.



Order Receipts

(Millions of Pounds)

	1987* August	1986 August	1987 8 Mos.	1986 8 Mos.	% Change 1987 vs 1986
Can Stock (a)	274.1	305.7	2,426.6	2,553.4	-5.0
Sheet & Plate, Other	357.0	284.0	3,204.2	2,696.9	18.8
Foil	71.0	65.6	622.3	585.2	6.3
Rod,Bar & Wire	31.0	27.1	256.0	217.7	17.6
Electrical Conductor	45.2	44.7	423.3	439.8	-3.8
Extruded Products	240.4	260.1	2,323.8	1,921.5	20.9
Powder & Paste	4.6	5.4	56.9	55.7	2.2
Forgings & Impacts	14.6	7.0	89.6	73.7	21.6
Domestic Mill Products	1,037.9	999.6	9,402.7	8,543.9	10.1
Ingot (Total)	130.4	226.3	1,172.1	2,751.2	-57.4
TOTAL DOMESTIC	1,168.3	1,225.9	10,574.8	11,295.1	-6.4
Exports	52.8	56.2	770.9	521.0	48.0
TOTAL ALL PRODUCTS	1,221.1	1,282.1	11,345.7	11,816.1	-4.0

Source: The Aluminum Association estimates total industry orders (including orders for imports) based on weekly reports by members of new orders (less cancellations) received. The Association expands these data to total industry utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. Weekly data are available on a subscription basis.
(a) Domestic only. Orders for imports of Can Stock are included in Sheet and Plate, Other.
(*) Latest month.

Producer Inventories Up 1 Million Pounds in July

Reversing a recent trend, estimated producer inventories increased slightly in July 1987 to a total of 4,481 million pounds. This represented a 1 million pound increase from the revised June 1987 level of 4,480 million pounds.

Month-End Aluminum Inventories
By Type of Producer
(Figures in Millions of Pounds)

	Total	Ingot	Scrap	All Other
Dec 85	5,165	2,235	567	2,363
Jul 86	5,084	1,998	625	2,461
Aug 86	5,059	2,058	626	2,375
Sep 86	4,976	1,995	647	2,334
Oct 86	4,927	1,896	622	2,409
Nov 86	4,902	1,879	598	2,425
Dec 86	4,939	1,982	642	2,315
Jan 87	4,868	1,878	586	2,404
Feb 87	4,784	1,693	582	2,509
Mar 87	4,702	1,623	561	2,519
Apr 87	4,591	1,521	560	2,511
May 87	4,515	1,465	557	2,494
Jun 87	4,480	1,423	615	2,442
Jul 87*	4,481	1,460	610	2,411

Source: Bureau of the Census, U.S. Department of Commerce.
(*) Latest month estimated by the Aluminum Association. Early estimates are available from the Association on a subscription basis.

Imports and Exports

(Millions of Pounds)

		1987 July	1986 July	1987 7 Mos.	1986 7 Mos.	% Change 1987 vs 1986
Imports	Mill Products	86.0	137.0	594.6	658.2	-9.7
	Ingot	240.1	267.1	1,668.7	1,885.2	-11.5
	Total	326.1	404.1	2,263.2	2,543.4	-11.0
	Scrap (+ dross)	38.0	26.7	259.4	205.1	26.5
	Grand Total	364.1	430.8	2,522.7	2,748.5	-8.2
Exports	Mill Products	44.0	28.7	366.4	262.5	39.6
	Ingot	57.9	24.1	309.5	259.3	19.3
	Total	102.0	52.8	675.9	521.8	29.5
	Scrap	73.5	62.5	486.1	437.2	11.2
	Grand Total	175.5	115.3	1,162.0	959.0	21.2
Net Imports		188.6	315.5	1,360.7	1,789.5	-24.0

Source: Bureau of the Census, U.S. Department of Commerce.